GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:107
ANSWERED ON:10.08.2007
RATE OF INTEREST
Yerrannaidu Shri Kinjarapu

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has received complaints regarding high charge of interest rate by nationalized associate and private banks on credit cerds, personal loan, top-up loans;

(b) if so, the details thereof; and

(c) the step s taken by the Union Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : Yes, Sir. Government has received Siome complaints of excessive interest and ether charges levied by banks on loans and advances. The complaints are being desit with by the concerned banks.

(c) : RBI, vide its circular dated May 7, 2007, has advised banks to have an objective and transparent policy approved by their Boards for fixing interest rates on loans and advances. It has been advised that the Boards of the bank should lay out appropriate internal principles and procedures so that usurious interest rates including processing and cither charges are not levied by the bank on loans and advances.